

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

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CC: INTL

PLR-100003-07

Date:

May 11, 2007

Taxpayer =

Entity 1 =

Year 1 =

Year 2 =

Year 3 =

Year 4 =

Year 5 =

Country A =

CPA Firm =

Dear :

This is in response to a letter dated December 22, 2006, requesting an extension of time under Treas. Reg. § 301.9100-3 to file elections under Treas. Reg. § 1.1503-2(g)(2)(i) or Treas. Reg. § 1.1503-2T(g)(2)(i), as applicable ("Elections"), and annual

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certifications under Treas. Reg. § 1.1503-2(g)(2)(vi)(B) or Treas. Reg. § 1.1503-2T(g)(2)(vi)(B) as applicable ("Annual Certifications"), for Years 1 through 5 with respect to dual consolidated losses attributable to Taxpayer's interest in Entity 1 incurred in Years 1 through 4. The information submitted for consideration is substantially as set forth below.

The ruling contained in this letter is predicated upon facts and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. This office has not verified any of the material submitted in support of the request for a ruling. Verification of the factual information, representations, and other data may be required as a part of the audit process.

The interest in Entity 1 is a hybrid entity separate unit as described in Treas. Reg. § 1.1503-2(c)(4). Dual consolidated losses attributable to the interest in Entity 1 were incurred in Years 1 through 4.

Taxpayer has a limited tax staff, with limited U.S. international tax expertise and no international tax director or manager. Parent engaged CPA Firm to provide U.S. federal income tax advice in connection with the acquisition and financing of its Country A operations. CPA Firm provided such advice which included a discussion of the Elections and Annual Certification statements required. In addition, for each of Taxpayer's tax Years 1 through 5, Taxpayer prepared and engaged CPA Firm to review its U.S. federal consolidated income tax return. The scope of Taxpayer's engagement with CPA Firm specifically covered the identification of any necessary elections and statements required in connection with Taxpayer's international activities. CPA Firm failed to discover that Taxpayer inadvertently omitted the Elections for the losses incurred in Years 1 through 4 and Annual Certifications that should have been filed with respect to those losses in Years 2 through 5.

Treas. Reg. § 301.9100-1(b) provides that an election includes an application for relief in respect of tax, and defines a regulatory election as an election whose due date is prescribed by a regulation, a revenue ruling, revenue procedure, notice, or announcement.

Treas. Reg. § 301.9100-1(c) provides that the Commissioner has discretion to grant a taxpayer a reasonable extension of time, under the rules set forth in Treas. Reg. § 301.9100-3, to make a regulatory election under all subtitles of the Internal Revenue Code, except subtitles E, G, H, and I.

Treas. Reg. § 301.9100-3(a) provides that requests for relief subject to this section will be granted when the taxpayer provides the evidence (including affidavits described in

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Treas. Reg. § 301.9100-3(e)) to establish to the satisfaction of the Commissioner that the taxpayer acted reasonably and in good faith, and the grant of relief will not prejudice the interests of the Government.

In the present situation, the Elections and Annual Certifications are regulatory elections as defined in Treas. Reg. § 301.9100-1(b). Therefore, the Commissioner has discretionary authority under Treas. Reg. § 301.9100-1(c) to grant Taxpayer an extension of time to make these filings, provided that Taxpayer satisfies the rules set forth in Treas. Reg. § 301.9100-3(a).

Based on the facts and information submitted, we conclude that Taxpayer satisfies Treas. Reg. § 301.9100-3(a). Accordingly, Taxpayer is granted an extension of time of 60 days from the date of this ruling letter to file the Elections with respect to the dual consolidated losses attributable to the interest in Entity 1 incurred in Years 1 through 4 and an extension of time to file the corresponding for Annual Certifications for Years 2 through 5.

The granting of an extension of time is not a determination that Taxpayer is otherwise eligible to file the Elections and Annual Certifications. Treas. Reg. § 301.9100-1(a).

A copy of this ruling letter should be associated with the Elections and Annual Certifications that are the subject of this ruling.

This ruling is directed only to the taxpayer who requested it. I.R.C. § 6110(k)(3) provides that it may not be used or cited as precedent. No ruling has been requested, and none is expressed, as to the application of any other section of the Code or regulations to the facts presented.

Pursuant to a power of attorney on file in this office, a copy of this ruling letter is being furnished to Taxpayer's authorized representatives.

Sincerely,

John J. Merrick
Special Counsel
Office of Chief Counsel (International)

Enclosure: